

TO:	CORPORATE SERVICES COMMITTEE	Subject: COMPOSITE CAPITAL PROGRAMME 2015/16 MONITORING REPORT 1 APRIL –18 SEPT 2015 (PERIOD 6)
FROM:	EXECUTIVE DIRECTOR OF CORPORATE SERVICES	
DATE:	27 OCTOBER 2015 REF: EH/LJ	

**1. Introduction**

1.1 The purpose of this report is to provide a summary of the financial performance of the Corporate Services Capital Programme for 2015/16. This report includes information on the projected outturn position at 18 Sept 2015 (End of Period 6).

**2. Summary of Financial Position**

2.1 The current capital expenditure position for Corporate Services can be summarised as follows:-

Approved Programme 2015/16	Actual Expenditure to 18 Sept 2015	Committed Expenditure at 18 Sept 2015	Projected Outturn Expenditure to 31 March 2016	Projected Year End Variance
£6,277,978	£1,434,117	£3,930,688	£5,583,277	£694,701

*Detailed analysis is contained in Appendix 1.*

2.2 The programme for 2015/16 of £6,277,978 is made up of £5.050m in the original approved budget together with carry forwards from 2014/15 totalling £934,733. Additional budget allocations have been added of £1.100m (Coats House refurbishment) and £290,245 in relation to the smarter working initiative being carried out in Kildonan Street, as previously approved by Policy & Resources Committee. Slippage of £1.097m as declared at the Mid Year Review has now been removed from the 15/16 capital budget.

2.3 A total of £1,434,117 in expenditure payments has been incurred up to 18<sup>th</sup> September 2015. This represents 22.8% of the total annual programme and 25.7% of the projected outturn. A large proportion of the capital budget relates to the Houldsworth Centre project where construction costs are incurred by the NHS and a proportion recharged to NLC periodically. The expenditure levels to date at the Houldsworth Centre project are relatively low resulting in the low spend to date on the programme overall, but are expected to rise significantly in the coming months.

2.4 Of the total budget, £3,930,688 has been committed to date. This represents 62.6% of the total annual programme and 70.4% of the projected outturn. The projected outturn expenditure to the end of the financial year equates to £5,583,277, which reflects net slippage of £694,701. Appendix 1 provides a financial summary of the various projects. Further details of the progress on some of the more significant projects are discussed in section 3 below.

**3. Programme Update**

3.1 Houldsworth Centre Programme (Formerly Wishaw Hub)

The Houldsworth Centre Programme spans a number of financial years, with total provision within the 15/16 budget amounting to £3.723m. The project has been split into two defined phases of work. The first phase comprising NHS and NLC accommodation has now been completed. The council occupied areas were operational and open to the public on 31<sup>st</sup> August 2015. The next phase of works, involving the demolition of the now vacant health centre and the construction of multi level car park, is scheduled for completion by March 2016. Current indications show remaining spend for 2015/16 of £3.043m resulting in a potential underspend of £0.680m. This will continue to be monitored as works onsite progress.

### 3.2 Coats House Refurbishment

The Council purchased Coats House in May 2013 and at that time a number of maintenance issues were identified. Further to this, additional funding was approved by Policy and Resources Committee in June 2014 to relocate the First Stop Shop to Coats House. Tenders for the works have been received for the lift and roof works and are currently being checked. It is anticipated that contractors will be appointed by the end of October 2015. Phase 2 of the works including the relocation of the First Stop Shop and refitting of internal areas will commence early in 2016/17.

Negotiations are still ongoing with the neighbouring property representatives to allow access and facilitation works to take place on or adjacent to their interests.

### 3.3 Disabled Access

The overall budget including previous underspend amounts to £145,425. Previous reports presented to Committee identified an issue over ownership to the area of ground required for the ramp to service the emergency exit at Glenmavis Community Centre which meant the works may not be feasible. This remains an issue and it is proposed to remove this project for 2015/16 and replace it with other works. These works will comprise an extended scope of works for the Ian Nicholson Centre which will complete the works scheduled for 2016/17, as noted in the report to committee dated 14 July 2015. The total value of the works is now £65,000. The issue raised by committee previously relating to water ingress has been investigated and a solution identified and discussions are on-going with the client to agree an early resolution.

In addition to the works at the Ian Nicholson Centre, other works in the order of £10,000 can be brought forward for the Keir Hardie Centre, which will involve the installation of a compliant reception desk along with improvements to doors within the public areas.

The works that have been completed to date include Kirkwood Sports Centre (new reception counter), Registration Office, Bellshill (ramped rear entrance/exit route), Civic Centre (new automated accessible front entrance doors), Bellshill Transport Depot (new automated access door and reception counter) and Bellshill Cultural Centre (replacement door).

### 3.4 Corporate Energy

This budget is to fund energy efficiency improvements across the Council and extends to £455k for 2015/16. Full details on the proposed projects were detailed in the Asset Management Planning – Carbon Management and Energy Measures Report, which was presented to Committee on 20<sup>th</sup> August 2015.

These projects include continuation of the programme of water efficiency projects initiated last financial year, which now includes electrical equipment and £100,000 of works have been completed to date and projected to expend £250,000 by the financial year end. The installation of an air curtain at the Buchanan Centre, Coatbridge undertaken as a pilot installation is now complete. Voltage optimisation equipment at St Margaret's has been installed and fully commissioned and Caldervale High Schools is expected to complete early November. In addition 2 No boilers have been replaced at the Area Social Work Office, Airdrie.

Other projects include the installation of automatic meter readers across the 3 utilities (gas, electricity and water) to a number of council buildings.

### 3.5 Fleming House Windows

A review of the window design following completion of phase 1 of this project has resulted in a delay in issuing tenders. It was anticipated that the tender for phase 2 of the works would be issued in September, however, as a result of further clarifications of the design being required, these will now be issued in October with a return in November and a site start early in the New Year. Slippage of £500,000 was declared at mid-year review and has been removed from the budget, with the project now expected to spend in line with the revised budget of £600,000, however further updates will be provided once tenders have been received and evaluated.

### 3.6 Smarter Working

The Policy and Resources committee at its meeting held on 4 June 2015 approved the funding for a proof of concept project at Kildonan Street, Coatbridge, in the sum of £290,245 which will be phase 1 of the smarter working programme. This has now been added the Corporate Services capital budget. Discussions with Building Standards and Fire Scotland have resulted in changes to the design, with works expected to start in November 2015.

## 4. FINANCIAL CONCURRENCE

- 4.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services following assessment and due diligence by service-based finance personnel.

## 5. RECOMMENDATION

- 5.1 The Committee is asked to note the financial position of the Corporate Services Capital Programme as at 18 September 2015.



**John Gordon**

**Head of Corporate Property & Procurement**

For further information on this report please contact Eric Hislop, Asset & Support Manager on Ext 2372.

## CORPORATE SERVICES

## CAPITAL PROGRAMME 2015/16

Capital Schemes	Current Programme £	Current Expenditure £	Current Commitment £	Projected Outturn £	Projected Year-End Variance £
AX023 - COUNCIL CHAMBER-DIGITAL CONGRESS NETWORK	15,123	-	-	-	15,123
XP013 - CORPORATE DEMOLITIONS	166,067	43,563	119,500	166,067	-
XP015 - HOULDSWORTH CENTRE PROGRAMME (PREVIOUSLY WISHAW HUB)	3,722,918	1,094,756	3,043,340	3,043,340	679,578
XP105 - ADVERSE WEATHER FUND	-	-	-	-	-
XP106 - CONDITION SURVEYS	135,116	-	-	135,116	-
XP107 - CORP PROP - HEALTH & SAFETY	76,590	739	5,714	72,708	3,882
XP112 - CIVIC CENTRE - LIFT REPAIRS	5,000	139	4,952	5,000	-
XP116 - AMP RATIONALISATION	21,536	6,367	6,367	21,536	-
XP117 - FSS UPGRADES	10,264	5,366	10,264	10,264	-
XP118 - COATS HOUSE REFURBISHMENT	500,000	3,104	3,104	500,000	-
XP119 - CIVIC CENTRE - TOILET	26,528	48,115	48,115	30,410	3,882
XP120 - CIVIC CENTRE - SHOWERS	8,058	5,010	8,058	8,058	-
XP121 - SMARTER WORKING GROUP PH1	290,245	4,112	290,245	290,245	-
XP401 - DISABLED ACCESS	145,425	14,468	101,750	145,425	-
XP403 - ASBESTOS-CORPORATE PROP	100,000	17,246	35,270	100,000	-
XP406 - CORPORATE ENERGY	455,108	191,132	254,009	455,108	-
XP408 - FLEMING HOUSE WINDOWS	600,000	-	-	600,000	-
<b>TOTAL CORPORATE SERVICES</b>	<b>6,277,978</b>	<b>1,434,117</b>	<b>3,930,688</b>	<b>5,583,277</b>	<b>694,701</b>